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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/726,465

12/02/2003

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P114519

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22931 7590 01/28/2010  
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EXAMINER

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ART UNIT

PAPER NUMBER

3617

MAIL DATE

DELIVERY MODE

01/28/2010

PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* DONALD B. MCDUGLE and KEVIN D. PATTISON

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Appeal 2009-006422  
Application 10/726,465  
Technology Center 3600

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Decided: January 27, 2010

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Before WILLIAM F. PATE, III, STEFAN STAICOVICI, and  
FRED A. SILVERBERG, *Administrative Patent Judges*.

STAICOVICI, *Administrative Patent Judge*.

DECISION ON APPEAL

## STATEMENT OF THE CASE

Donald B. McDugle et al. (Appellants) appeal under 35 U.S.C. § 134 from the Examiner's decision rejecting claims 1-64. We have jurisdiction over this appeal under 35 U.S.C. § 6 (2002).

## THE INVENTION

Appellants' invention relates to a thruster 10 mounted on the transom 14 of a boat 12. Spec. 12, ll. 11-14 and figs. 1 and 3. The thruster 10 includes a central thrusting section 16 holding propellers 96 and two extension members 18, 20. Spec. 12, ll. 15-17; Spec. 20, ll. 1-3; and fig. 2.

Claim 30 is representative of the claimed invention and reads as follows:

30. A thruster adapted to be mounted to a boat at an operating location, said thruster comprising:
  - a) a central thrusting section which has a lengthwise axis and comprises a central housing that defines a through passageway and two oppositely positioned outer end portions, each of which defines an end opening;
  - b) a propeller section positioned in said through passageway;
  - c) two extension members that are positioned at opposite sides of the central housing, with each extension member having an inner end portion adjacent to a related one of said outer end portions of the central housing and extending outwardly therefrom, each extension member having a lower perimeter edge portion which is located at an elevation

lower than the end openings of the center housing, each extension member having a downwardly facing surface that defines a flow passageway at the downwardly facing surface, said flow passageway having an inner end flow passageway portion adjacent one of the end openings of the center housing;

- d) said thruster being configured and arranged, so that with the thruster located in an operating position with the thruster operating to provide a lateral thrust, the two extension members have their lower perimeter edge portions located so that as water flows by the lower perimeter edge portions and into one of the end openings of the center housing, ambient air is substantially prevented from being entrained in the water entering into the center housing.

### THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Stallman	US 3, 082,732	Mar. 26, 1963
Den Ouden	US 5,704,306	Jan. 6, 1998

Appellants rely on the following as evidence of experimental use of their invention:

Declaration under 37 C.F.R. § 1.132 of Donald B. McDugle<sup>1</sup>, filed Sep. 13, 2004<sup>2</sup> (executed Aug. 23, 2004).

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<sup>1</sup> The Declarant, Mr. Donald D. McDugle, is also a co-inventor in the instant application.

<sup>2</sup> Hereafter referred to as the “First McDugle Declaration.”

Declaration under 37 C.F.R. § 1.132 of Donald B. McDugle, filed Sep. 11, 2006<sup>3</sup> (executed Sep. 6, 2006).

Declaration under 37 C.F.R. § 1.132 of Donald B. McDugle, filed March 20, 2007<sup>4</sup> (executed Mar. 20, 2007).

The following rejections are before us for review:

The Examiner rejected claims 30-38 under 35 U.S.C. § 102(b) as being anticipated by Appellants' offer for sale of the invention prior to the critical date of December 6, 2001.<sup>5</sup>

The Examiner rejected claims 1-29 and 39-48 under 35 U.S.C. § 103(a) as unpatentable over Appellants' offer for sale of the invention prior to the critical date of December 6, 2001 and Den Ouden.

The Examiner rejected claims 49-64 under 35 U.S.C. § 103(a) as unpatentable over Appellants' offer for sale of the invention prior to the critical date of December 6, 2001 and Stallman.

## THE ISSUES

1. Have Appellants shown that the Examiner erred in finding that the invention called for in claim 30 was on sale prior to the critical date of December 6, 2001?
2. Have Appellants shown that the Examiner erred in finding that the combined teachings of Appellants' offer for sale of the invention and

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<sup>3</sup> Hereafter referred to as the "Second McDugle Declaration."

<sup>4</sup> Hereafter referred to as the "Third McDugle Declaration."

<sup>5</sup> The present application claims priority benefit under 35 U.S.C. § 119(e) from Provisional Application No. 60/431,285, filed on December 6, 2002. Accordingly, the "critical date" for the purposes of our inquiries in the present appeal is December 6, 2001, which is one year prior to the filing date of the provisional application.

- Den Ouden disclose (a) two extension members that lie at opposite sides of the central housing, as per claim 1, and (b) the ratio between the outer edges of the two extension members and the outer edges of the transom of the boat, as per claims 12 and 16?
3. Have Appellants shown that the Examiner erred in finding that the combined teachings of Appellants' offer for sale of the invention and Stallman disclose that each extension member has a downwardly facing surface so that the lower edge portion is located at a lower elevation than the upper end portion of each extension member, as required by claim 49?

## SUMMARY OF DECISION

We AFFIRM-IN-PART.

## PRINCIPLES OF LAW

[T]he on-sale bar applies when two conditions are satisfied before the critical date. First, the product must be the subject of a commercial offer for sale. . . .

. . . .

Second, the invention must be ready for patenting. That condition may be satisfied in at least two ways: by proof of reduction to practice before the critical date; or by proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention.

*Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 67-68 (1998).

OPINION

*Issue (1)*

Appellants argue the rejection under 35 U.S.C. §102(b) of claims 30-38 together as a group. Br. 16. Therefore, in accordance with 37 C.F.R. § 41.37(c)(1)(vii)(2007), we have selected claim 30 as the representative claim to decide the appeal, with claims 31-38 standing or falling with claim 30.

Turning to the rejection of claim 30 under 35 U.S.C. § 102(b) based on prior sale, we look to the McDugle Declarations. In the later part of the summer of 2001, Mr. Robert Murch came to see Mr. Donald B. McDugle to request a stern thruster for his boat. First McDugle Declaration, para. 7. After discussing various configurations and looking at the boat, Mr. McDugle suggested a “shroud” or “shield” configuration that would have:

. . . a connecting end extending about half way around the inlet/outlet opening of the central cylindrical member and would slope downwardly and laterally outwardly, and having a interior concave surface that formed a passageway leading from a lower location upwardly at a slant and into the outlet/inlet of the central position of the thruster.

*Id.*

Mr. McDugle proposed to build and install such a thruster for Mr. Murch’s boat at a price of \$9,700 that will cover labor and materials, with the understanding that he has not built or tried this configuration before and if it doesn’t work he would still get paid the agreed upon amount. First McDugle Declaration, para. 8. Mr. McDugle and Mr. Murch agreed that because this was to be a prototype, additional work, repair or design changes may be required and that Mr. McDugle would provide “follow-up support,”

provided that Mr. Murch would pay for any additional parts. *Id.* Mr. McDugle also requested to be informed of the thruster's operation and any defects that may exist in order to avoid making mistakes in a later prototype. *Id.* Mr. Murch then wrote a check for \$1,500 as downpayment for the construction and installation of the "thruster assembly." *Id.* Mr. McDugle completed the embodiment shown in Figures 2 and 3 of the instant application in about three weeks. First McDugle Declaration, para. 10. On November 16, 2001, Mr. McDugle took the boat, with the thruster assembly installed, for a trial run. First McDugle Declaration, para. 12. Later that afternoon, Mr. Murch arrived to inspect the thruster assembly and drove the boat in the water along with Mr. McDugle. Mr. Murch then paid the remaining balance and took the boat and the thrust assembly away. *Id.* After November 16, 2001, Mr. McDugle made several follow-up inquiries but was not able to reach Mr. Murch until about four to five months later, at which point Mr. Murch stated that he had problems with the motor and with moisture collecting in the bottom part of the hull. *Id.* See also, Third McDugle Declaration, paras. 4 and 5. Mr. McDugle ordered the required parts and rebuilt the motor at least twice. First McDugle Declaration, para. 12. Mr. McDugle made improvements to Mr. Murch's thruster design by building four more prototypes. First McDugle Declaration, paras. 13, 15, and 16. Mr. McDugle regarded his arrangement with Mr. Murch as "without a doubt" an experimental arrangement. Second McDugle Declaration, para. 8.

Based on the evidence of record, we agree with the Examiner that the sale to Mr. Murch on November 16, 2001 for the sum of \$9,700 constitutes a commercial transaction and is *prima facie* a sale of the invention claimed in



the present application prior to the critical date of December 6, 2001. Ans. 5-8. Moreover, the absence of evidence in the record that Appellants maintained any control over the stern thruster after their sale to Mr. Murch, the absence of any confidentiality agreement between the parties, the absence of any reselling restrictions on Mr. Murch, and finally, the fact that the thruster assembly sold to Mr. Murch represents the embodiment shown in Figures 2 and 3 of the instant application, leads us to conclude that the sale to Mr. Murch on November 16, 2001 by Appellants does not fall under the “experimental use” exception.

Looking at the test set forth in *Pfaff*, we note that the on-sale bar under 35 U.S.C. § 102(b) applies when two conditions are satisfied before the critical date, namely, the product must be the subject of a commercial offer for sale *and* the invention must be ready for patenting. On page 20 of the Appeal Brief, Appellants take the position that “the first prong of the *Pfaff* test has not been reached.”<sup>6</sup> In other words, Appellants dispute that the sale of the stern thruster by Mr. McDugle to Mr. Murch, on November 16, 2001 for the sum of \$9,700, constitutes a commercial sale. As evidence, Appellants point to the factual pattern in *EZ Dock, Inc. v. Schaffer Systems, Inc.*, 276 F.3d 1347 (Fed. Cir. 2002). According to Appellants, because the facts in the instant case are similar to the facts set forth in *EZ Dock*, the “experimental use” exception of the on-sale bar should apply. *See* Br. 20 (“Now referring to the facts of the present case, it can be shown that the first

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<sup>6</sup> Since Appellants do not provide any arguments regarding whether the second condition of *Pfaff* was satisfied before the critical date we shall not address it in our opinion.

prong of the Pfaff test has not been reached.”). Specifically, Appellants argue that the relevant facts in *EZ Dock* include the following:

[T]he buyer and not the inventors initiated the sale, the buyer did not pay full market price, the inventors provided installation and equipment for free, the inventors visited the buyer's premises on several occasions, the inventors made free repairs, there was a need to test the invention for durability under the conditions at the buyer's premises, and the inventors changed the feature of the embodiment sold to the buyer.

Br. 20.

Just as in *EZ Dock*, Appellants point out that in the instant case, (1) the seller, Mr. Murch, came to Mr. McDugle, the buyer, and initiated the sale; (2) the buyer did not pay full market price because Mr. McDugle agreed to do further design work as needed without receiving additional compensation; (3) the inventor/seller, Mr. McDugle, made several calls to the buyer and made various repairs, adjustments, and improvements; and (4) the inventor/seller Mr. McDugle changed features of the embodiment sold to Mr. Murch (perimeter flange, position of the internal motor). Br. 21-24.

Although we appreciate that certain facts in the instant case are similar to the factual pattern of *EZ Dock*, nonetheless, we find that these facts are consistent with any arms-length commercial sale as they are with an experiment. For example, a buyer initiating a sale is not evidence of an experiment. In a market economy, a buyer can initiate a commercial sale just as well as a seller. Further, the amount of payment, even if below market price, is merely the result of negotiations between a seller and a buyer. Furthermore, the agreement to make repairs within a set period of

time, without requesting further payment, is similar to a mere commercial warranty.

Appellants further argue that the inventor, Mr. McDugle, regarded his arrangement with Mr. Murch as “without a doubt” an experimental arrangement. Br. 24-25. *See also*, Second McDugle Declaration, para.8. However, although Mr. McDugle’s intent may have been to have an experimental arrangement, as Appellants suggest, the subjective intent of the inventor to experiment is not sufficient. *See, e.g., Paragon Podiatry Lab., Inc. v. KLM Labs., Inc.*, 984 F.2d 1182, 1186 (Fed. Cir. 1993).

Appellants acknowledge that, “one of the factors for establishing experimental use is the degree of control.” Br. 22. Appellants argue that the communication between Mr. McDugle and Mr. Murch is evidence of control. Br. 17, 23. However, like the Examiner, it appears to us that the inventors did not maintain control of the invention after the sale transaction was consummated. Ans. 5, 8. On the facts presented above, we find that the sale to Mr. Murch was merely a commercial sale because Mr. McDugle did not request any assurances that the stern thruster would remain with Mr. Murch for any set period of time, that it would be subject to any particular tests, or that its use would be limited in any manner. In actuality, once Mr. Murch paid the remaining balance and took the boat and the thrust assembly away from Mr. McDugle on November 16, 2001, Mr. Murch was free to do with the thrust assembly as he wished, that is, he could have taken it apart, sold it, or replaced it with another thrust assembly. *See* First McDugle Declaration, para. 12. Mr. Murch was under no secrecy and did not have an obligation to report back to Mr. McDugle on the performance of the thruster assembly. In fact, the record indicates that communication between the

inventor and Mr. Murch was sporadic at best. Specifically, after Mr. Murch took the boat and thrust assembly away on November 16, 2001, Mr. McDugle was not able to reach Mr. Murch for about four to five months. First McDugle Declaration, para. 12. Hence, Mr. Murch did not feel obligated to respond to Mr. McDugle's inquiries. The record in this case further fails to show any restrictions to prevent re-sale and no obligation on Mr. Murch to assist or permit testing of any kind. Moreover, the record does not indicate that Mr. McDugle contemplated any particular tests or envisioned a period of testing. In conclusion, we find that none of the evidence presented shows control by the inventor over the alleged "experiment." "[A] use cannot be experimental if the inventor failed to maintain sufficient control over the invention and its testing." *Lough v. Brunswick Corp.*, 103 F.3d 1517, 1526 (Fed.Cir. 1997).

Lastly, Appellants argue that another factor establishing experimental use is evidence of changes to the invention resulting from testing. *See* Br. 23-24 and 26. Specifically, Appellants argue that the changes made were the addition of a perimeter flange and the position of the internal motor. Br. 23. *See also*, First McDugle Declaration, para. 16. However, the record does not indicate that these changes were the result of testing the stern thruster assembly received by Mr. Murch. As established above, the record is devoid of any evidence that any particular tests were contemplated or were actually performed by Mr. McDugle on the stern thruster assembly received by Mr. Murch. At most, the record indicates that Mr. McDugle repaired the motor and fixed a leaking problem, which are not part of Appellants' claimed invention. First McDugle Declaration, para. 12. *See also* Ans. 6. The changes argued by Appellants appear to be the result of other versions of the

stern thruster assembly received by Mr. Murch. First McDugle Declaration, paras. 13, 15, and 16. This is in contrast with the facts of *EZ Docks* where the frustoconical design of the pylons is the *direct* result of dock testing on the embodiment sold to the buyer. *EZ Docks* at 1353.

For the foregoing reasons, the rejection under 35 U.S.C. § 102(b) of claim 30 under 35 U.S.C. § 102(b) as being anticipated by Appellants' offer for sale of the invention prior to the critical date of December 6, 2001, and claims 31-38 standing or falling with claim 30, is sustained.

### *Issue (2)*

Appellants argue the rejection under 35 U.S.C. § 103(a) of claims 1-11, 13-15, 17-29, and 39-48 together as a group. Br. 16. Therefore, we have selected claim 1 as the representative claim to decide the appeal, with claims 2-11, 13-15, 17-29, and 39-48 standing or falling with claim 1. In view of Appellant's arguments, we will address the rejection of claims 12 and 16 separately.

At the outset, we note that Appellants' arguments appear to attack the teachings of Appellants' offer for sale of the invention and Den Ouden individually, rather than the combination. *See* Br. 29-30. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

It is our finding that Appellants' offer for sale of the invention is represented by the embodiment shown in Figures 2 and 3 of Appellants' Drawings and described in Paragraph 10 of the First McDugle Declaration. As such, we agree with the Examiner that Appellants' offer for sale of the

invention prior to the critical date of December 6, 2001 specifically discloses “two extension members [26] that are positioned at opposite sides of the central housing [22],” as required by claim 1. Ans. 4. *See also*, First McDugle Declaration, para.10 and figs. 2 and 3 of Appellants’ Drawings. Accordingly, the rejection under 35 U.S.C. § 103(a) of claim 1, and claims 2-11, 13-15, 17-29, and 39-48 standing or falling with claim 1, is sustained.

With respect to claims 12 and 16, the Examiner’s takes the position that “as shown in the provided evidence, the extent is ‘about’ 25% or 30% as claimed” and “the illustrated width is considered to be ‘about’ 40% as claimed.” Ans. 4. The Examiner goes on to say that, “it is the primary reference, Appellant’s disclosed Offer for Sale which shows such a dimension.” Ans. 9.

Appellants’ Specification describes that:

In this embodiment shown in Figs. 1-4, the dimension 110 between the outside edges 88 (or between the outside edges of the extensions 18 and 20 of Fig. 7), *of flange 86* is forty percent of the distance between the outer edge portions 50 of the hull.

Spec. 27, ll. 3-6 and Figures 7 and 8 of Appellants’ Drawings. Emphasis added.

Although at first glance Appellants’ description may appear to satisfy the limitations of claims 12 and 16, it is our finding that Appellants’ offer for sale of the invention does not include the perimeter flange 86. First McDugle Declaration, para.16. As such, we disagree with the Examiner’s position because, as shown above, Appellants’ measurements are based on the dimension “110” which is measured between the outside edges of the

flange 86. Since we have determined that Appellants' offer for sale of the invention prior to the critical date of December 6, 2001 does not include the perimeter flange 86, we cannot sustain the rejection under 35 U.S.C. § 103(a) of claim 12 and 16.

*Issue (3)*

Appellants argue the rejection under 35 U.S.C. § 103(a) of claims 49-64 together as a group. Br. 16. Therefore, we have selected claim 49 as the representative claim to decide the appeal, with claims 50-64 standing or falling with claim 1.

Appellants first appear to argue the combined teachings of Appellants' offer for sale and Stallman as applied with respect to claim 39. Br. 32. However, as noted by the Examiner, the teachings of Stallman were not used to reject claim 39. Ans. 9. Accordingly, Appellants' argument is not commensurate with the Examiner's rejection.

Appellants further argue that Stallman does not disclose that each extension member has a downwardly facing surface so that the lower edge portion is located at a lower elevation than the upper end portion. Br. 32. Once more, Appellants appear to argue individually the teachings of Appellants' offer for sale of the invention and Stallman, rather than the combination. Appellants' offer for sale of the invention prior to the critical date of December 6, 2001 specifically discloses that:

Each of the shrouds or extension members 26 comprises a connecting portion which has a semicircular configuration, indicated at 30, and a main portion 32 which extends laterally at a downward and outward slope, with a concave interior curve.

First McDugle Declaration, para.10 and Figure 2 of Appellants' Drawings.

Hence, we find that Appellants' offer for sale of the invention specifically discloses that each extension member has a downwardly facing surface so that the lower edge portion is located at a lower elevation than the upper end portion, as required by claim 49.

Accordingly, the rejection of under 35 U.S.C. § 103(a) of claim 49, and claims 50-64 standing or falling with claim 49, is likewise sustained.

### CONCLUSIONS

1. Appellants have failed to show that the Examiner erred in finding that the invention called for in claim 30 was on sale prior to the critical date of December 6, 2001.
2. Appellants have failed to show that the Examiner erred in finding that the combined teachings of Appellants' offer for sale of the invention and Den Ouden disclose two extension members that lie at opposite sides of the central housing, as per claim 1. However, Appellants have shown that the Examiner erred in finding that the combined teachings of Appellants' offer for sale and Den Ouden disclose the claimed ratio between the outer edges of the two extension members and the outer edges of the transom of the boat, as per claims 12 and 16.
3. Appellants have failed to show that the Examiner erred in finding that the combined teachings of Appellants' offer for sale of the invention and Stallman discloses that each extension member has a downwardly



facing surface so that the lower edge portion is located at a lower elevation than the upper end portion.

#### DECISION

The decision of the Examiner is affirmed as to claims 1-11, 13-15 and 17-64, and reversed as to claims 12 and 16.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

#### AFFIRMED-IN-PART

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